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**MINUTES OF STAFF MEETING
ADMINISTRATIVE STAFF CHIEFS**

16 September 1954

1. Colonel White opened the meeting with a brief summary of the items discussed at the Assistant Directors Meeting, Monday, 13 September. The following topics were of major interest:

25X1A6a a. The Director commented on his recent trip to Europe and mentioned that there was a distinct possibility that additional Agency missions might arise out of the presently unsettled conditions in [REDACTED] Colonel White added that were developments to confirm Mr. Dulles' suspicions, they would have implications for everyone present.

25X1C4a b. Mr. Dulles apparently heard a good deal from Agency [REDACTED]

c. General Cabell commented about the need for betterment of CIA's internal security consciousness; the Director added that "informal leaks" of sensitive security information must be stopped, and that he intended to use his special powers to make an example of any future violators. Colonel White added that he regarded improvement of security consciousness as a top level supervisory responsibility.

d. Colonel White reported to the Assistant Directors on the "Dial 9" local phone call situation, and although some improvement has occurred in the reduction of the number of unofficial local calls, he forecast that additional public phone booths would have to be installed throughout the Agency if no further reduction was forthcoming.

e. Mr. Saunders briefed the Assistant Directors on the implications of the new overtime payment authorization contained in the recently passed Fringe Benefits Law. There is still the question about the Agency adopting a policy of granting compensatory time instead of money for overtime earned by employees above GS-9. Colonel White reminded Mr. Saunders of the need for immediate action to develop a policy statement on this matter.

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f. The Director told the Assistant Directors that he had received a considerable amount of comment abroad on the question of educational allowances, and that he is sympathetic to the problem, though he believes that it may well take legislation to resolve it properly. Colonel White added that he was anxious to receive the statistical review on this problem that is being prepared by the Chief of Administration, DD/P, in connection with obtaining further guidance from the Director on this matter.

g. Colonel White mentioned that Mr. Reynolds had briefed the Assistant Directors on the status of the Federal Employees Group Life Insurance program, and added that the \$260,000 cost of this insurance to the Agency for Fiscal Year 1955 was to be absorbed in the current appropriation. Mr. Reynolds has developed a paper for subsequent distribution comparing the advantages of the Federal Program to those under the Agency's Omaha Plan (GEHA - Life). Colonel White spoke of his high opinion of the value of the Federal Program, and urged that top level supervisors take pains to see that their employees weighed the benefits thoroughly before signing waivers. The Assistant Director for Personnel announced that [REDACTED] people had requested waivers to date.

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h. Colonel White said that General Cabell had raised the question in the Assistant Directors meeting about the difficulty of interpreting Agency Notice No. [REDACTED] (Budget Policy for Fiscal Year 1955). General Cabell said that the Notice did not make it clear whether this was CIA's fiscal policy or that of the Bureau of the Budget. Colonel White amplified on this, saying that he felt we cannot announce a policy which is inconsistent with that of the Bureau of the Budget, but that he believed that Budget's guidelines should not be followed blindly; if additional expansion in line with our mission is ordered, it will be taken care of. He added that he felt that the experience in Fiscal Year 1954, when we had [REDACTED] more than we actually spent, demonstrated that there was enough leeway in our annual appropriation figure, and that though great emphasis was being laid on personnel economies, there still remain over 800 ceiling vacancies. Mr. Saunders added that we are not cutting back, just following a judicious course.

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2. Colonel White reported on his 4-hour talk on 15 September with the Special Studies Group. He believes that they are oriented in a direction that is sympathetic to our problems, and that they feel that while distinct improvement has been made in the controls over property, money and audit, further tightening and improvement is called for. Colonel White mentioned, in this context, that there is as yet nothing definite about a

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starting date for the Hoover Commission Task Force, but General Clark might begin momentarily. An invitation was extended by Colonel White for the Deputy Director (Administration) Office and Staff Chiefs to begin scheduling their "dry run" briefing presentations as soon as possible, keeping in mind the principles of brevity and clarity. He also asked that all personnel, financial and property figures appearing in these briefings be centrally reconciled in order to prevent embarrassing inconsistencies.

3. Colonel White mentioned that the moving schedule was proceeding nicely. The Office of Operations was scheduled to move from South Building today, 16 September, and the contractor hoped to get into South Building on 20 September to begin renovation. It is planned to move General Clark's office from the second to the third floor, in order to avoid exposing him to all the noise and confusion attendant upon the renovation of South Building.

4. Colonel White said that he believes that the new bridge over the Potomac River, recently authorized by Congress, will so impinge upon our buildings, wherever it is finally erected, that its authorization may hasten the construction of our own headquarters building. Construction of the new bridge might reduce our available floor space to some 85,000 square feet, only about [redacted] of our needs.

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5. Colonel White said it was his opinion that Christmas and New Year's duty forces would be established at skeleton levels, barring some international emergency, and he felt that the Director would so direct prior to either date. However, Colonel White urged that office heads make sure that they do not approve so much annual leave now for the holiday season that they find themselves faced with a shortage when December arrives.

6. Colonel White spoke about the recent reconstitution of the Administration Career Service Board, wherein office heads, not delegates, are to be permanent members. It is his feeling that this concept will soon become standard Agency practice. In the new arrangement in the Deputy Director (Administration) area the Management Staff, General Counsel, Auditor-in-Chief, and the Project Administrative Planning Staff are not each represented by their senior official on the Board, but a rotating membership has been established whereby these offices will always be represented by one of their chiefs, for periods of from four to six months at a time. The order for this rotating membership has been established as follows: General [redacted] (Audit), Mr. [redacted] (Management), Mr. [redacted] (General Counsel) and Mr. [redacted] (PAPS).

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7. Mr. Saunders said that the Fiscal Year 1956 budget for the Agency has been submitted to the Bureau of the Budget, and that he expects more questions about its contents this year than ever before,

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in keeping with stringent Bureau policy. He asked that all office heads cooperate in the submission of any additional figures that may be called for in the course of the hearings, scheduled to begin next month.

8. Mr. Reynolds said that he felt that the Federal Employees Group Life Insurance people might soon permit payroll deductions on the GEHA policies, which would considerably lighten the load being carried by the Insurance and Claims Branch, Office of Personnel, and service to the employees would thereby be improved. He added that there were already 600 new contracts written under GEHA Hospitalization and 400 under GEHA - Life. There have been 100 cancellations to date on WAEPA contracts, and it is Mr. Reynolds' opinion that WAEPA will soon liquidate. A WAEPA directors meeting is set for 17 September to study CIA's participation in their plan and the impact of further cancellations. Mr. Reynolds said that there have been [redacted] applications sent out for the Career Staff to eligibles, out of a total of [redacted] but it will take approximately another 30 days to evaluate the results. He added that the entire problem of the effectiveness of the Fitness Report is to be studied jointly by Personnel and the Office of Training, and to assist in this study, he urged prompt completion of the questionnaires that have been sent out with the first 1,500 Fitness Reports. Discussion in the meeting led to the statement by Mr. Reynolds that the possession of GEHA insurance is itself not a classified matter, since it is available only to those who can acknowledge their Government employment. Mr. Reynolds said that he would see to the preparation of a Notice covering proper procedures for the submission of claims under GEHA, since there seems to be some confusion on the methods to be followed.

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9. A question raised by Dr. Tietjen regarding possible modification of instructions regarding completion of Health, Education and Welfare forms connected with Federal subsidies to Maryland and Virginia schools was referred to Mr. Reynolds for resolution.

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11. Mr. [REDACTED] raised the question as to whether all Staff Employees and Staff Agents were to be covered under Federal Employees Group Life Insurance. Mr. Saunders said that the Deputy Director (Plans) has given him a list of all those Staff Agents who should be eliminated from coverage for security reasons and that this listing cuts almost all of their Staff Agents out of coverage. Colonel White said that he had a question about such drastic surgery, and asked Dr. [REDACTED] to get together with Mr. Reynolds to prepare a report on this question for submission to the next DD/A Staff Meeting. Mr. Reynolds said he was of the opinion that the FEGLI people would extend every cooperation in assisting us to meet our special security considerations on coverage and claims.

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12. Mr. Pforzheimer commented on two major bills passed by the 83rd Congress which have some effect on CIA: (1) the so-called Fringe Benefits Bill, which contains our exemption from the Performance Rating Act of 1950 and repeals section 9 of the Central Intelligence Agency Act of 1949, which section had authorized the establishment of three scientific positions in CIA outside the normal supergrade structure and subject to the approval of the Civil Service Commission; and (2) the Atomic Energy Act of 1954, which provides that the Chairman of the Atomic Energy Commission and the Director of Central Intelligence shall work together on the exchange of atomic information with foreign governments. One bill, of interest to Staff "C" regarding registration of foreigners, proved too complicated and was referred to committee for further study against submission in the 84th Congress. Legislation proposed regarding the payment of reward money to persons informing on possible atomic sabotage in the United States, which involved CIA, was not passed, and all bills concerned with the establishment of a Joint Congressional Committee on CIA failed of passage. Mr. Pforzheimer asked for opinions on the possible value of a weekly digest of Congressional action of interest to CIA, and discussion produced the opinion that the minutes of the staff meetings be carefully documented by Mr. Pforzheimer when dissemination of this type of information was essential.

13. Mr. Pforzheimer said he felt there was need for establishment of a focal point in the Bureau of the Budget for receipt of information from them on Government-wide studies relating to the educational allowances problem. Mr. Saunders promised to explore the possibility of doing this.

14. Colonel White pointed out that the Bureau of the Budget has more or less intentionally refrained from centralizing their questioning of CIA on budget and policy matters; as a result, he felt that it was essential that we make certain that anyone answering questions from this source coordinate his replies through the Comptroller and the Deputy Director (Administration), lest it be made possible for one source to be played off against another in Budget hearings. Mr. Saunders mentioned

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the visits of Mr. Hart Perry of the Bureau of the Budget to certain of our overseas installations, and the information he undoubtedly was getting there; he added that Mr. Perry's notes had thus far been submitted to Budget through the Comptroller, a practice with which Mr. Saunders is in complete accord. Colonel White mentioned that he expected that this year's Budget hearings would probably run for one week in the latter part of October.

15. Colonel Edwards commented on the overtime provisions of the Fringe Benefits Law and mentioned that he was proposing to the Deputy Director (Administration) that authority be granted for a 15 percent salary increase, under the provisions of that law, to his field investigators, in lieu of actual overtime payment. Colonel White said that this problem and others like it would have to be considered within the framework of the overtime policy statement that Mr. Saunders and Mr. Reynolds are developing.

16. Colonel White concluded the meeting by commenting upon a recent opinion of the General Counsel regarding the legality of payment of per diem to overseas returnees, on TDY-Washington, prior to annual leave and PCS-Washington. He said that the General Counsel's opinion approving such payment will be circulated for guidance, but he felt strongly that not everyone should get this per diem payment on TDY-Washington; that the principle of actual debriefing need must be followed. He promised speedy action on development of a policy on this matter, and said that in the meantime, he felt that we should adhere to a maximum of two weeks of such per diem in cases where it was called for, since this had informally been established by the Comptroller General's 1952 ruling in reference to the practice in the Department of State where Foreign Service personnel were similarly affected.

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16 September 1954

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